

# The Bad Math Behind Austerity

In recent years, the Republican obsession with slashing the federal budget even at a time of high unemployment rested on the intellectual foundation of a study purporting to prove that government debt strangled economic growth. But that foundation crumbled when a computation error was revealed, as Beverly Bandler explains.

By Beverly Bandler

Regarding the Austerity Scandal, I wonder if you are as angry as you should be. I am *outraged*. This is indeed a significant story that the corporate mainstream media appears to be ignoring.

One reader tells me that he has the impression that the Reinhart-Rogoff scandal has not been widely reported. He says Jon Stewart had Thomas Herndon on his program. Herndon is the graduate economics student who revealed the flaw in the R&R data. Herndon said the error in Reinhart-Rogoff's spreadsheet was so blatant that it was spotted by his girlfriend, a sociology student. (I don't like to use exclamation points, but this deserves a couple: !!)

This scandal is important because the economic theory presented by Carmen Reinhart and Ken Rogoff was central to the Republican-led demands for sharp austerity even at the cost of continued high and painful unemployment. The two economists claimed that their data proved that government debt equal to 90 percent of GDP would strangle the economy, thus justifying extreme steps to bring the debt down immediately.

However, other economic studies of the same question came up with dramatically different results, showing continued GDP growth at that level of debt. Finally, Reinhart and Rogoff made their data available to a team at the University of Massachusetts at Amherst and the mystery was solved. The two economists had made an obvious computation error. In other words, the austerity hysteria that had fueled Republican insistence on slashing spending was driven by a botched economic analysis.

The Washington elite had made major economic policy decisions that have affected every single American based on a single paper that had errors so blatant that the mistakes were spotted by a sociology student? The elite policymakers then ignored all the reliable economics work of practically every reputable economist in the nation who questioned the Reinhart-Rogoff study?

Would you want a surgeon to do your brain surgery based on *one* new technique

that had never been vetted and was seriously questioned by other surgeons, including some of the best in the field? But that is how the Republicans and some “deficit hawk” Democrats slashed spending and killed proposals to invest in infrastructure, fund research and rehire laid-off police, firefighters and teachers. *God help us!*

Not only political “elites,” but financial elites bought into the *one* paper. Bill Gross, manager of the world’s largest bond fund for PIMCO, in 2010 “warned that UK debt levels were too high, leaving gilts ‘resting on a bed of nitroglycerine,’” basing his warning on the widely cited R&R paper now under fire for “possible statistical errors.”

Gross has changed his tune: he is now criticizing efforts by Britain and much of the Euro Zone to cut debt rapidly with severe austerity measures, warning that such action risks stifling recovery. “The UK and almost all of Europe have erred in terms of believing that austerity, fiscal austerity in the short term is the way to produce real growth,” he stated to the *Financial Times*, “It is not. You’ve got to spend money.”

*Slate* business and economics correspondent Matthew Iglesias writes “the academic research bolstering the austerity drive was confused, at best.” It is important to remember that the “academic research” to which he refers was *one* paper, *one* research study.

Does this mean the political and financial elites have never read the economic history of the Depression? Updated and related empirical studies of same? That they have never read Paul Krugman, Christina Romer, Joseph E. Stiglitz and a host of other prominent economists and instead chose to embrace one paper “as gospel,” not vetting it, not reading the responses to the paper from other economists when it shot out of the gate?

Incredible!

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## Recalling the Crimes of Inhumanity

The Boston Marathon bombings have brought forth a frenzy of right-wing hate speech against Muslims who are depicted as mindlessly violent. But many of

history's worst atrocities including the Holocaust, the Vietnam War and even today's "war on terror" – have been carried out primarily by Christians, as Gary G. Kohls recalls.

By Gary G. Kohls

April is Holocaust Remembrance month, an annual month-long event that encourages us humans to again confront the sobering reality of one of history's most egregious examples of man's inhumanity to man, known in the Jewish community as the Shoah.

Sadly, however, for anyone who has been paying attention to the epidemic of worldwide violence since the end of World War II, it is obvious that the promise of "Never Again" has been repeatedly violated. The cruelty of militarism, racism, anti-Semitism and poverty seem to be alive and well.

Man's inhumanity to man is clearly not a thing of the past. In fact it appears that nothing has been really learned since the last German Nazi extermination camp was revealed in 1945 or the last mass murder of innocent civilians was exposed in Vietnam or the CIA torturing was uncovered in the "war on terror."

This essay will attempt to perhaps shed some light on some of the unlearned lessons of the above atrocities by examining some of the realities of what the Nazis called the Final Solution and what the rest of humanity calls the Holocaust.

### **Arbeit Macht Frei**

A few years ago the wrought-iron gate to the infamous World War II-era extermination camp at Auschwitz, Poland, was stolen by thieves who had been paid to do so by a Neo-Nazi from Sweden. Ultimately the gate, which had been cut into three segments, was returned and replaced.

The top of that gate contained a bit of cunning propaganda that mockingly proclaimed to the slave-laborers at Auschwitz who walked under it twice a day, "Arbeit Macht Frei" (Work Makes One Free, a play on the words from the gospel of John: "You shall know the truth and the truth shall make you free"). Members of the radical right-wing, xenophobic, communist-hating and Jew-hating Nazi SS soldiers very likely chuckled at the cruel joke as they looked up at that gate.

"Arbeit Macht Frei" probably did have a positive message for the "Good Germans" who kept their mouths shut. In the triumphant "Deutschland Uber Alles" period of the late 1930s, most Good Germans, in the habit of fearing verbal or physical punishment from anybody in a position of authority, thought it was important and

patriotic to work hard to help the Fuhrer build his Thousand Year Reich and then defend it by being willing to kill and die defending it.

Possibly inspired by the Arbeit Macht Frei slogan, obedient young German workers were conscripted, often against their wills, into the German Labor Front (Deutsche Arbeitsfront) after Hitler had abolished labor unions in Germany (and with them, the socialism that capitalism and its evil twin fascism – despise so vehemently).

The Labor Front's involuntary low wages helped to create Hitler's "economic miracle" which resulted in essentially full employment with thriving industries that were connected to weapons manufacturing and other aspects of Germany's military/industrial complex.

Transportation systems involving railroads and automobiles (especially the building of the famous Autobahn) plus textile, chemical, agricultural, mining, pharmaceutical, metals production systems and concentration camps all thrived. Satisfied and therefore increasingly obedient Good Germans applauded Hitler for his economic genius.

After the post-World War I pain of hyperinflation, economic depression, market crashes, joblessness, homelessness, malnutrition and breadlines that followed that disastrous war (as happens after almost every war), Good Germans really appreciated having the jobs, the affordable vacation time, the affordable health care and the affordable educational opportunities.

Things were going well for Hitler's Good Germans until the rest of the world finally was so fed up with the Nazi bullies that they retaliated against them with the full force of boycotts, sanctions, blockades and ultimately bombing. But by then it was already too late for the many oppressed minorities like Jews, gypsies, Slavs, foreigners and homosexuals, all of which were being killed, almost to extinction in the case of Jews and gypsies, under the military jackboot. Good Germans, with some notable exceptions, had been, during the good years, busy averting their eyes from what they saw happening all around them, too frightened to speak out.

By the end of the war, there were 140 or more Nazi concentration camps (1/3 of which were located in "occupied" and ethnically-cleansed Poland), starting with Dachau in 1933. Each one of the camps needed both military and civilian workers to keep them running smoothly, and thus the camps were also a part of Hitler's economic boom. Torture, forced labor, starvation and death grew Germany's GNP substantially.

**The Commandant of Auschwitz, Rudolf Hoess**

Auschwitz was the most infamous of the camps. Good Germans almost universally lied when the camps were liberated, claiming that they hadn't known that torture and mass murder were going on right under their noses, despite the fact that the distinctive odor of burning human flesh was unmistakable.

The commandant of Auschwitz, Lieutenant Colonel Rudolf Hoess of the Waffen-SS's Death's Head (Totenkopf) Unit, in testimony under oath following his capture in 1946 refuted that notion when he wrote:

"We were required to carry out these exterminations in secrecy but of course the foul and nauseating stench from the continuous burning of bodies permeated the entire area and all of the people living in the surrounding communities knew that exterminations were going on at Auschwitz."

Hoess was not the equally infamous Rudolf Hess who was Hitler's Deputy Fuhrer until he disgraced himself in the eyes of Hitler by flying to, and then crash landing in Scotland, without Hitler's fore-knowledge or approval, on a misguided attempt to meet with the British and negotiate a peace settlement. Hitler ordered Hess to be shot on sight if he ever came back to Germany.

The Rudolf Hoess of Auschwitz infamy was the son of a devout Roman Catholic family whose father was well-to-do, conservative, anti-Semitic and a strict disciplinarian. His family actually had wanted him to go into the priesthood. (Hitler, interestingly enough, was also a baptized Catholic who had likewise considered entering the priesthood as a child. However, unlike Hitler, who never left the Catholic Church (and was never excommunicated from it), Hoess renounced his Catholicism when he was 20, around the time he joined the Nazi Party.)

Hoess learned unconditional obedience to authority at the hands of his harsh military veteran father (as did most Germans who had been immersed in the legacy of Prussian militarism). The child-rearing methods used on little Rudolf were probably not much different from what most German and Austrian children had experienced for generations (and even centuries) prior to Hitler's obedience-demanding fascist regime.

Inflexible harshness was naturally inflicted upon German military recruits in basic training and was demanded of the Death's Head Units that were responsible for the Nazi concentration camps. And since violence is contagious the previously victimized Nazis then obediently inflicted it upon the inmates.

Punitive parenting and harsh discipline was also the norm in both the secular and religious schools; and thus Hoess was able to write the following explanation for his willingness to reflexively carry out the decidedly un-Christ-like orders he received at Auschwitz:

"Above all, I was constantly reminded that I was to comply with, and follow, the wishes or commands of parents, teachers, priests, etc., indeed all grown-ups including the servants, and that I was to allow nothing to distract me from that duty. Whatever they said, went. These fundamental values of my upbringing became part of my flesh and blood."

Military recruits who have been victimized at home by physical abuse more easily adapt to learning the killing arts. They somehow are more obedient to orders and can therefore react automatically in the war zone, obeying even illegal orders that are given in the heat of battle.

If SS soldiers working in the camps exhibited any compassion for prisoners or refused to obey illegal orders (such as the gassing of prisoners or the shooting of innocent women and children) they were threatened with transfer to front-line duty, a clear disincentive to be merciful. It can be assumed that Hoess never was conscious of the connections between his harsh child-rearing experiences and his unconditional obedience in reflexively carrying out illegal orders at Auschwitz.

In an affidavit read at Nuremberg, Hoess wrote:

"I commanded Auschwitz until 1 December 1943, and estimate that at least 2,500,000 victims were executed and exterminated there by gassing and burning, and at least another half million succumbed to starvation and disease, making a total dead of about 3,000,000. This figure represents about 70% or 80% of all persons sent to Auschwitz as prisoners, the remainder having been selected and used for slave labor in the concentration camp industries.

"Included among the executed and burnt were approximately 20,000 Russian prisoners of war (previously screened out of Prisoner of War cages by the Gestapo) who were delivered at Auschwitz in Wehrmacht transports operated by regular Wehrmacht officers and men. The remainder of the total number of victims included about 100,000 German Jews, and great numbers of citizens (mostly Jewish) from Holland, France, Belgium, Poland, Hungary, Czechoslovakia, Greece, or other countries. We executed about 400,000 Hungarian Jews alone at Auschwitz in the summer of 1944."

In his autobiography, written while he was awaiting his war crimes trial, Hoess wrote: "I want to emphasize that I personally never hated the Jews. I considered them to be the enemy of our nation. However, that was precisely the reason to treat them the same way as the other prisoners. Besides, the feeling of hatred is not in me. It is tragic that, although I was by nature gentle, good-natured, and very helpful, I became the greatest destroyer of human beings who carried out every order to exterminate people no matter what."

## A Recipe for Disaster

Duty and honor; solemn oaths; obedience to god and country and uber-patriotism (in the form of “my country right or wrong” nationalism, “Deutschland Uber Alles” and “America # 1”) are common examples of patriotic urges that have driven the killing machines on all sides of every war throughout the history of the world. Internalizing such propaganda allowed Hoess to proudly and honorably perform his duties at Auschwitz, without any obvious signs of remorse when he was later tried, convicted and then hanged, overlooking Auschwitz, for war crimes and crimes against humanity.

The baptized Catholic Heinrich Himmler (who was idolized by Hoess) and the Lutheran Adolph Eichmann (a direct superior of Hoess and a frequent visitor to Auschwitz) had also learned to obey orders from their abusive fathers, their dictatorial schoolmasters, their clergy leaders and ultimately their Nazi superiors, while simultaneously demanding obedience from their subordinates in the chain of military command below them.

Such victims of physical, emotional, spiritual or sexual abuse, especially in the case of males, are often driven to seek revenge against the original persecutors when they become strong enough. Unfortunately, the revenge is often taken out against weaker victims who often turn out to be innocent, often defenseless, scapegoats. This reality often explains the motivation behind the bullying behavior of individuals as well as nation-states.

One has to wonder: What kind of German Christianity was it that justified, contrary to the teachings of Jesus, cruelty in parenting, hateful attitudes toward the “other”, and the justification of war? What kind of German Christianity was it that did not stand up and courageously say “NO” to its nation’s manufacture and stockpiling of and willingness to use weapons of mass destruction whose only purpose is to slaughter humans and scorch the earth?

From where in the human soul comes the willingness to kill, maim, torture, enslave, or starve another human or even cooperate with the evils of state-sponsored homicide or genocide, whether your militarized nation is fascist Germany or “democratic” America?

Harshness in child-rearing is one of the realities that can easily result in the willingness to obey illegal orders to kill. Rudolf Hoess was a victim of cruel parenting, a xenophobic culture, an aberrant form of Christianity that justified war, violence and anti-Semitism and a war-glorifying Prussian militarism.

Do not think yourself better because you burn up friends and enemies with long-range missiles without ever seeing what you have done.

Thomas Merton wrote a powerful poem referring to the obedience of Rudolf Hoess.  
It follows below:

### **Chant to be Used in Processions Around a Site With Furnaces**

**By Thomas Merton (first published in The Catholic Worker)**

How we made them sleep and purified them

How we perfectly cleaned up the people and worked a big heater

I was the commander I made improvements and installed a guaranteed system  
taking account of human weakness I purified and I remained decent

How I commanded

I made cleaning appointments and then I made the travelers sleep and after that  
I made soap

I was born into a Catholic family but as these people were not going to need a  
priest I did not become a priest I installed a perfectly good machine It  
gave satisfaction to many

When trains arrived the soiled passengers received appointments for fun in the  
bathroom they did not guess

It was a very big bathroom for two thousand people It awaited arrival and they  
arrived safely

There would be an orchestra of merry widows not all the time Much art

If they arrived at all they would be given a greeting card to send home Taken  
care of with good jobs Wishing you would come to our joke

Another improvement I made was I built the chambers for two thousand invitations  
at a time the naked votaries were disinfected with Zyklon B

Children of tender age were always invited by reason of their youth They were  
unable to work They were marked out for play

They were washed like the others and more than the others

Very frequently women would hide their children in the piles of clothing but of  
course when we came to find them we would send the children into the chamber to  
be bathed

How I often commanded and made improvements and sealed the door on top There  
were flowers The men came with crystals



I guaranteed always the crystal parlor

I guaranteed the chamber and it was sealed You could see through portholes

They waited for the shower It was not hot water that came through vents though  
Efficient winds gave full satisfaction Portholes showed this

The satisfied all ran together to the doors awaiting arrival It was  
guaranteed They made ends meet.

How I could tell by their cries that love came to a full stop I found the ones  
I had made clean after about a half hour

Jewish male inmates then worked up nice They had rubber boots in return for  
adequate food I could not guess their appetite

Those at the door were taken apart out of a fully stopped love for rubber male  
inmates strategic hair and teeth being used later for defense

Then the males removed all clean love rings and made away with happy gold

A big new firm promoted steel forks operating on a cylinder They got the  
contract and with faultless workmanship delivered very fast goods

How I commanded and made soap "12 pounds fat 10 quarts water 8 ounces to a  
pound of caustic soda" but it was hard to find any fat "For transporting the  
customers we suggest using light carts on wheels A drawing is submitted"

"We acknowledge four steady furnaces and an emergency guarantee"

I am a big new commander Operating on a cylinder I elevate the purified  
materials "boil for 2 to 3 hours and then cool"

For putting them into a test fragrance I suggested an express elevator operated  
by the latest cylinder It was guaranteed

Their love was fully stopped by our perfected ovens but the love rings were  
salvaged

Thanks to the satisfaction of male inmates operating the heaters without need of  
compensation Our guests were warmed

All the while I had obeyed perfectly

So I was hanged in a commanding position with a full view of the site plant and  
grounds

You smile at my career but you would do as I did if you knew yourself and dared

In my days we worked hard we saw what we did Our self sacrifice was conscientious and complete Our work was faultless and detailed

**Gary G. Kohls, MD, is a founding member of Every Church A Peace Church ([www.ecapc.org](http://www.ecapc.org)) and is a member of a local non-denominational affiliate of ECAPC, the Community of the Third Way.**

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